



Business Consulting Services

From Seattle to Sensibility: (or) Making Trade Fun

*Reasons this is an exciting time to be
working to better define the nexus
between trade and development.*



Overview and Outline

From Seattle ...

The fall of Seattle moved the WTO toward a development agenda AND forced donors to consider trade as a tool for development.

... To Sensibility

The success at Doha revealed the need to move to sensibility, or, more specifically, that trade *must* become a cross cutting theme.

Trade in Its New Contexts:

Cross-Cutting Themes and Priorities

Making Trade Fun: Series and Simulation Examples

Bottom lines. Simply Put.

Final Note on the International Trade Centre's Market Access programs

The Move from Seattle to Sensibility

Both US and WTO Leadership Set New Tones on Trade:

As President Bush put it:

Trade is the engine of Development and by promoting it we will help meet the needs of the world's poor.

As the Doha Declaration put it:

- **Cooperation among development agencies is asked for 11 times and donor agencies or donor assistance is referred to 5 times in the Declaration.**
- **Technical assistance is mentioned 22 times and capacity building 20 times.**
- **Development is used 40 times, LDCs 30 times, developing countries 13 times.**

There was very little, if any, of this language in the draft Seattle Declaration.

The Move from Seattle to Sensibility

Pre-Seattle at USAID:

- **there was little effort to coordinate trade activities in the field, even though Missions estimated they had \$600 million in trade projects.**
- **there was no USAID inter-bureau trade team or internal policy apparatus.**
- **there was minimal representation and minuscule inclusion of USAID in the trade policy dialogue at USTR, State, Fed. Trade Comm, or other agencies.**
- **there were no working MOU with the trade multilaterals, little interaction with WTO or ITC, and even fewer joint field programs (a grant to UNCTAD).**

The Move from Seattle to Sensibility

Post-Seattle:

- a working trade team was formed and, later, Global added 'Trade' to its title.
- annual surveys of trade capacity building activities were implemented.
- The Counsellor's Office began a 'Geneva Dialogue' with the US-UN Mission, and USAID began to lead US delegations to trade conferences like UNCTAD X.
- USAID signed an MOU with ITC in 2000 and funded a grant in 2002.
- USAID also signed an MOU with UN's Common Fund for Commodities (CFC) in 2000 and in 2002 co-funded implementation activities with them in Egypt.

(Note: ITC & CFC have both co-financed – put money into - USAID projects.)

- Successive grants for accession assistance have been made to the WTO.

The Move from Seattle to Sensibility

The Doha Preparations Dialogue was Cooperative:

- **Global Bureau was active in USTR plans and Geneva Dialogue discussions.**
- **USAID Missions were asked to form short-term Doha preparations projects, as we did in Egypt and were actively involved in Ministerial-related VIP visits.**
- **Contact with the trade multilaterals was significant and more productive.**

The Doha Outcomes were Assertive and Positive:

- **Creation of a Global Bureau Trade Capacity Building project.**
- **Creation of a Global Bureau Doha Accession project.**
- **Issuance of a grant to ITC for all-Missions could access to trade information.**
- **Increased Mission funding of joint projects with the trade multilaterals.**

The Move from Seattle to Sensibility

The Trade Dialogue has changed because of:

Recognition that **'WTO Compliance'** is a **'Competitiveness'** issue because providing efficient services and meeting international standards are the two keys to greater participation in the evolving global trading system.

Recognition that training in **Commercial Diplomacy** is critical and must include public and private sector representation before real dialogue at the WTO can take place and before real in-country policy reform is possible.

Recognition that access to **trade data and direct linkages to the WTO** is crucial.

(AND, training in Geneva is significantly less likely to be seen as a boondoggle).

Trade in Its New Contexts

The Cross-Cutting Theme Top Ten:

- **agriculture** projects are focusing on services and food **safety standards**.
- **anti-corruption/terrorism** programs are focusing on **commercial transparency**.
- **employment generation** programs view **services** as effective areas for growth, especially when **women** are the primary target beneficiaries of the project.
- **environment** programs are including trade-related environment components.
- **food security** programs are now addressing **trade & transportation** constraints.
- **health and emergency assistance** projects now address **market access** issues.
- **rule of law** projects are beginning to focus on **commercial law enforcement**.
- **sme, micro-finance and rural income** projects now look at **export finance**.
- **trade information** projects are significantly broadening uses into **trade strategy**.
- **WTO accession and compliance is simply impossible without trade services.**

Trade in Its New Contexts

The Prioritisation Top Ten:

If the Goal is:

- **Policy Reform**, then almost any area requires commercial diplomacy because the benefits of reform need to be clear to stakeholders or change will stagnate.
- **Employment Generation**, projects should include services sector growth strategies (processing, packaging, professional). It is key to recognize that **women are more highly employed in services**, so sector focus can have high impact, and **WID issues are often fought and won over commercial contracts**.
- **Raising Rural Incomes**, projects should include SME export assistance component that enable smallholders to add value and access exporters.
- **Private Sector Development** or **Privatisation**, then projects often lack export assistance components but can indeed be good homes for trade training.

Trade in Its New Contexts

The Prioritisation Top Ten:

- **Food Security and Rural Health** projects are almost always plagued with access, distribution and transportation bottlenecks (as well as tariff and transparency problems) and therefore need trade components.

Example: key **AIDS treatment** disputes have revolved around trade issues.

- **Food Security and Food Safety** projects usually need to address product loss and contamination issues, which mean meeting trade standards.
- **Agriculture** projects too often address only production issues without adequate address of the trade services (post-handling, testing & inspections, packaging, grading & labelling, finance, transportation).
- **Environment** programs can often use trade regulations (as well and food safety standards) as leverage for implementing legal and procedural reforms.

Trade in Its New Context

The Prioritisation Top Ten:

- **Democracy and Governance projects** too often fail to address transparency issues, which are core to WTO compliance, and/or need to address disputes or abuses that arise from lacking contract enforcement, workplace inequities, and commercial laws (on labour, investment restrictions, discriminatory licensing).
- **Education programs, especially those aiming at Workforce Development** need trade training, and at higher levels, trade information components.

This is not meant to mitigate the need for WTO accession, WTO compliance, or direct export assistance training, but in fact, if you address key services, standards and market access issues in food and agriculture, environment, health, legal reform and workforce projects, not only will WTO compliance be easier, jobs and incomes will rise more easily.

WTO Compliance, first and foremost, leads to competitiveness.

Making Trade Fun

Trade Capacity Building CAN be fun – I promise – if you:

- **Combine trade information training with trade negotiations simulations.**
- **Structure training so that it addresses opportunities before obligations.**
- **Force the public sector to communicate with the private sector.**
- **Mix awareness building with participation in multilateral trade meetings.**

*** AND, if you involve mission staff in your activities. Consensus building is key inside Missions/Embassies, and FSNs are prime candidates for training.**

Making Trade Fun

Examples: Taking Djibouti to Seattle

The Inter-Governmental Authority on Development (IGAD), located in Djibouti – which I conspire to make the services Hub in the Greater Horn of Africa – requested a Seattle preparations assistance program from the REDSO Mission. A five-part series – including USAID, CFC, ITC, UNCTAD and the WTO - was designed to:

1. Enhance participants abilities to access and use trade data and expose them to WTO procedures via a retreat and WTO Simulation in Kampala. Advance materials trade flows studies were created, participants were put on 24 duty, the simulation was underpinned by trade information classes each morning, cables to capital were required each night, cables from capital were provided at least once per day. Teams represented developed countries with interests similar to their own. Each afternoon was an on-going series of mock WTO General Council meetings and back-room negotiations went on throughout.

Making Trade Fun

Examples: Taking Djibouti to Seattle

2. IGAD then organized an WTO information training program for the same participants in Djibouti, to which the WTO sent two staff members for a 2 days.
3. IGAD's Chief Economic Officers accompanied the US delegation to the G-77 Pre-Seattle Ministerial Summit in Marrakech, Morocco.
4. ITC organized a WTO Awareness seminar at the WTO in Geneva for the 22 participants who had attended the Kampala and Djibouti seminars. The Sessions were chaired by Geza Feketekuty, Former Senior Assistant USTR. The program focused on WTO ministerial processes AND available technical assistance. Participants met with representative from their own missions, had lunch with the US Ambassador the UN in Geneva, participated in a USTR roundtable, and submitted a Geneva Declaration to USAID's Counsellor.

Making Trade Fun

Examples:

Taking Djibouti to Seattle –

5. These participants were then taken to Seattle to participate for a week-long observation and training series wherein morning and evening sessions were held about activities (in this case demonstrations) observed at the Ministerial.

Outcomes – positive and negative:

1. Extremely strong participant learning experience.
2. Significantly increased number of requests for trade-related training.
3. Strong recognition that lacking trade data was negotiators' worst problem.
4. Mention by President Clinton to the Africa Group as a model for cooperation.
5. Unexpected Mission resistance from REDSO – lesson: involve mission staff.

Djibouti changed focus of their port strategy, partially due to reactions to the seminar. *J. Wright earned the possibly deserved nickname: Djibouti J.*

Making Trade Fun

Examples: Leading Cairo to Doha

The Ministries of Foreign Trade and Foreign Affairs requested commercial diplomacy training and Doha Support Program. Both the USTR and USTR Geneva asked for assistance in dealing with the Egyptian delegation. We organized a multi-tiered program:

- 1. Preliminary and high-level seminars were organized on trade issues.**
- 2. Participants attended a 3 day “WTO Compliance for Competitiveness” workshop at ITC, UNCTAD and WTO – the week Doha negotiations began.**
- 3. Six week courses in “Commercial Diplomacy” provided to over 100 trainees at MFT and MFA and a parallel trade issues training course for journalists.**
- 4. A high-profile ‘Trade Diplomats’ Discussion Series’ for public awareness, including an address to over 300 people by ITC’s Executive Director.**

Making Trade Fun

Taking Egypt Beyond the Doha Declaration

1. Ordered Trade Flows Analysis from ITC revealing Egypt's key trade interests.
2. Mission Funded a \$275,000 grant to ITC for an SME Export Assistance Series that addressing trade information services, trade finance, global standards and quality control, trade in services, tourism, and supply chain management.
3. Included USTR speakers in programs, and supported their ITA negotiations.
4. Received Common Fund funding for a major study and conference on Export Opportunities for Egyptian Food and Agriculture Products.
5. Created new models from Agriculture Exports, and Trade Facilitation, etc.

Trade and Trade Training – Bottom Lines

- 1. These are exciting times because the fight to recognize trade as a tool for development has been won and you are in a position of advantage of that fact.**
- 2. There is hardly a field that does not now have a connection with trade issues.**
- 3. This means the trade and development agencies are in key positions, and with important products, making it illegitimate to not to include them.**
- 4. WTO compliance is key to competitiveness projects and uses of ITC's trade information and market access products are crucial to DC global integration.**
- 5. Trade can excite people and can be a great consensus builder for reform.**

Trade and Trade Training – Simply Put

Donors must (and USAID is) reorient EG programs and focus on trade.

All policy reform requires negotiations, making commercial diplomacy key.

All successfully-implemented legal reforms have linked stakeholders to a benefit chain, which more often than not means some linkage to trade.

All development success stories have had a strong services component.

All successful WTO compliance programs have moved the client beyond looking at the obligations, and toward the competitive opportunities.

Thank you for your time and attention. Questions are welcome during or after the session.
For follow-up contact me at 703-741-2512, 571-238-0607 or by e-mail at j.w.wright@us.ibm.com.

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